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ABSTRACT

This report begins with a summary of its major points which include: (1) expansion of higher education opportunities in Illinois, (2) elimination of financial problems as barriers to higher education, (3) increasing tuition only for those who can afford it, (4) increasing tuition gradually so that the impact on attendance patterns can be assessed, and (5) continually increasing tuition to approximate rising costs. Chapter I presents an overview of opinions on the role of tuition in public higher education. Chapter II examines the State's efforts to extend educational opportunity to all qualified students and reviews the number of grant recipients, institutional fees, tuition and tuition increases, and concludes that the cost of higher education is still a barrier to many young people. Recommendations are made in Chapter III. The appendix includes the reactions of the governing boards to the tuition proposals. (AF)

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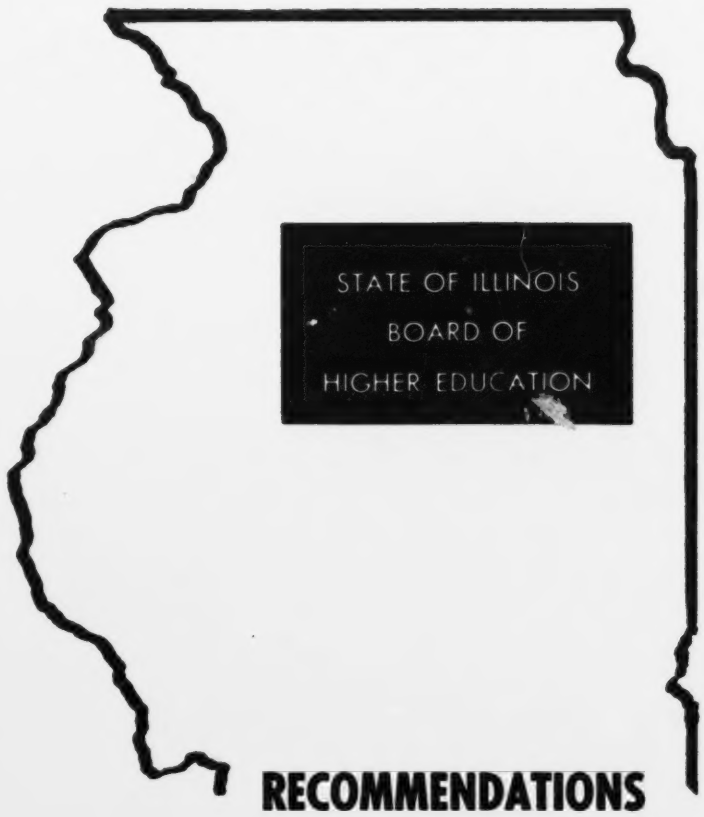

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RECOMMENDATIONS ON TUITION INCREASES AND STUDENT AID

HE 001 526

THE ILLINOIS BOARD OF HIGHER EDUCATION

SEPTEMBER, 1968

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RECOMMENDATIONS

ON

TUITION AND GRANTS
FOR STUDENTS AT
PUBLIC SENIOR COLLEGES AND UNIVERSITIES

September, 1968

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Much of the philosophy and many of the recommendations cited in the conclusions of this study are based on the findings of two Master Plan Committees:

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HIGHLIGHTS OF THE TUITION REPORT

A. Basic premises underlying the recommendations in this report are that:

(1) the State of Illinois continue the expansion of educational opportunities, as embodied in the past through Master Plan studies, Board of Higher Education policies and General Assembly actions.

(2) Illinois students not be denied attendance at public senior higher institutions because of financial barriers.

(3) additional revenues from student incomes be assessed only against those who are able to afford higher tuitions.

(4) student assessments be increased gradually so that the resulting impact upon attendance patterns can be measured before such patterns are substantially altered by these assessments; and

(5) the State continually increase tuitions to approximate rising costs of higher education, providing such increases do not negate the above premises.

B. The recommendations in this report are cast in the light of the following relationships which have been determined or assumed:

(1) tuition is only a small component of total student costs, which include fees, room and board or commuting expenses, out-of-pocket expenses, and unproductive periods in one's life, in the pursuit of higher education;

(2) tuition and fees at public Illinois institutions have increased at twice the rate of personal income in the state;

(3) although tuition and required fees at these institutions have increased about 230 per cent from 1947-1967, this rate probably lags behind the average national rate of increase;

(4) tuition and fees are a negligible proportion (less than five per cent) of the total operating revenue requirements of Illinois public higher institutions; and

(5) as college attendance rates increase in the future, increasing numbers of disadvantaged and needy students must be accommodated; but data are not available to estimate the impact of this trend upon the future financing of public higher education in Illinois.

C. In translating the above premises and relationships into policy, this study makes the following assumptions:

(1) tuition charges should have a systematic relationship

to the cost of undergraduate education;

(2) as tuition charges are increased, assistance for needy students must be increased correspondingly in order to avoid restriction of educational opportunity; and

(3) out-of-state students should pay a major part, or all, of the cost of education provided by the State of Illinois. Such charges must be increased gradually to avoid reciprocal action by other states, most of whom import more Illinois students than they export to Illinois.

D. On the basis of the foregoing premises, relationship and assumptions, the following policies are recommended in this report:

(1) By 1971, Illinois resident tuition rates be increased at public senior institutions to 20 per cent of the observed undergraduate instructional cost. Further, that an initial step toward this goal be a $75 increase in tuitions at all public senior higher institutions in the Fall of 1969. Tuition and fee charges should not exceed the equivalent of 40 per cent of undergraduate instructional cost.

(2) All teacher-education scholarships be retained, but issued only to needy students to cover the waiver of all tuition and fees. These scholarships should

be pooled on a statewide basis and administered by the Illinois Scholarship Commission.

(3) That a fraction (currently about 10 per cent or $2.5 million) of the amount of funds raised by the increased tuition be appropriated to the Scholarship Commission for additional scholarships and grants to offset partially the financial barriers created by higher tuitions.

(4) Non-resident tuitions be increased by $100 per year until tuitions and fees are equivalent to the observed cost of undergraduate instruction.

(5) Graduate and professional students be charged the same tuition rates as undergraduate students.

(6) Average compulsory fees not exceed tuition charges without Board of Higher Education approval.

E. If the above policies are enacted, the following results will be realized:

(1) Future student charges will rise proportionately to the rising cost of public higher education.

(2) Rising tuition costs will be assessed only against students capable of paying them; grants for needy students will be increased to offset these costs.

(3) Ultimately the financial burden of educating non-resident undergraduate students will be eliminated.

(4) An increase of over $20 million of tuition income will be realized during the next biennium. Student tuitions will continue to rise during ensuing biennia.

(5) Board of Higher Education review of compulsory fees will be required, thus assuring students some protection from excessive fee policies.

CHAPTER 1

OVERVIEW

One of the most controversial issues in higher education nationally and in Illinois involves the level of tuition that students in public institutions should pay. Burgeoning enrollments and sharply increasing costs have brought this issue into sharp focus in recent years. Underlying the debate is the philosophy of the state's public educational policy.

A. A major controversy in the issue is the allocation of the responsibility for paying costs of higher education. The question is whether the education produced or received is of more benefit to the student or to the public welfare. Economist, Seymour Harris states this dilemma of "cost benefit" succinctly as follows:

> "The benefits to society stem from filling needs for professionally trained men and women, contributing manpower generally needed for defense, education, and the like; providing the scientific and educational resources so essential for growth and, hence, for defense and welfare; and assuring the nation the cultural standards deemed essential. For the individual, the emphasis is on income gains and on its non-material contributions of education, e.g. increased ability to think and communicate, and a rising desire for knowledge."(1)

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(1) Seymour Harris, Higher Education -- Resources and Finance (New York: McGraw-Hill, 1962, p. 45.)

Education undoubtedly benefits both the individual and society. The proponents of the principle of free education point to the contribution of this institution to the development of modern society. President Elvis J. Stahr of Indiana University represents this premise as follows:

> "In study after study, it has been shown that the greatest single factor in the growth of the Gross National Product in this century has been education, not the size of the labor force. The productivity of the work force all the way through top management, has reflected the mounting economic effect of education."(2)

and further:

> "One of the increasingly visible phenomena of the post world war is the emergence of the modern university as a central factor in almost all advances in this society, and not the least in the field of economic growth. This is because universities not only have become our primary sources of highly trained intelligence but also are contributing so greatly to the explosive pace of the discovery of new knowledge."(3)

The establishment of tuition rates should reflect both the societal and individual benefits and be derived on the basis of a desirable balance of these factors.

B. A second major element of controversy in the issue is the financial barrier which tuition and fees represent to educational opportunity for lower and middle

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(2) Address of President Stahr to the St. Thomas Moore Society, Indianapolis, April 29, 1965.

(3) Ibid

economic groups. While expansion of grant, scholarship and loan programs (such as those in New York and Illinois which contain as a major factor the economic need of the recipient) have made a beginning toward alleviation of the economic barrier, sharp increases in tuition and fees may require substantial increases in the funding of these programs if educational opportunity is not to be denied to many young people.

The New York State Board of Regents in a series of recommendations for modifying and extending student scholarship programs recognized the problem of the economic barriers to educational opportunity. Speaking particularly of the very large group of average students, the Regents said:

> "Experience has demonstrated that the intellectually superior student will be able to pursue college study, even if his family has only limited resources. Within a narrow range, perhaps the top five to ten per cent of high school graduates, financial barriers to college attendance have been rather effectively eliminated.
>
> In contrast, for the student of average intellectual ability, the present pattern of consumer expenditures for higher education rests more heavily on resources available to the student and his family and less on college assistance. However, the resources available to the middle and high income students - current income, family assets and loans against future income - are sharply limited or non-existant in the case of low-income students. Even when motivation for college study is strong, the financial practicalities can become determining. Many college

> capable students who have succeeded in graduating from high school in New York have had to face these practicalities and have chosen to not enter college." (4)

Tuition and required fees charged at Illinois public senior institutions have increased 230% in the 20 year period from 1947 to 1967 and 60.5% from 1957 to 1966.

On the national level tuition and required fees of all public institutions increased by 143% from 1957 to 1966 in constant 1965 dollars and are projected to increase by 173% from 1957 to 1975. (5)

Proponents of the "financial barrier" premise point to these sharp increases in fixed costs charged to students in contrast to actual "earnings" or "purchasing power" increases in the same periods as the basis for recommending lowering or entirely abolishing tuition and other charges.

Opponents of the free tuition principle counter with the argument that students and families capable of paying a larger portion of the costs of instruction should be required to do so. Thus several plans of differentials in tuition charges have been considered in recent years.

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(4) New York State Board of Regents, "Freedom to Pursue a College Education," August, 1967.

(5) American Council on Education, A Fact Book on Higher Education, Fourth Issue, 1967, P. 223.

C. A third point of controversy in the tuition issue is the negligible effect of any but very substantial increases in tuition charges upon the total operating revenue requirements of public higher education.

Master Plan Committee J - Illinois Financing of Higher Education, observed that even though tuitions in Illinois public universities increased sharply, at a rate greater than the increase in the cost of living, the proportion of total higher education income from tuition and fees had only risen from 4.6% in 1951-52 to 7.7% in 1957-58.(6)

The relationship between tuition income and total operating budgets for the 1967-69 Biennium for Illinois public colleges and universities was $28.8 million in projected tuition income of a total budget of $597.7 million. Approximately 4.8% of the total educational operating budgets are now provided by tuition charges. An overall increase of 25% in tuition charges would yield an increase of only 1.21% of the total budgets. Increasing tuitions 50% would yield a total of only 7.24% of the overall operating budgets.

Senator Manfred Ohrenstein of the New York State Senate indicates that the effect of tuition increases.

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(6) Report of Master Plan Committee J, State of Illinois Board of Higher Education, December, 1963.

upon operating costs is similar for private institutions to that of the public....

> "Tuition and other charges at private colleges have more than doubled in the last decade without covering one-quarter of the actual cost of educating the student. (At Yale, tuition and room and board charges amount to 23 per cent of total income while salaries and benefits alone account for 54 per cent of expenditures. And the University operates with a one per cent deficit.)" (7)

A major factor contributing to the slight effect of tuition increases on total operating revenues is the considerable number of students enrolled in public higher education whose tuition or fees are covered by "tuition waiver" scholarships.

In considering the level of tuition to be charged in public higher education institutions, related cost factors must be considered. Among significant costs for students and their families beyond tuition charges are:

1. Fees charged for services generally not directly related to instructional costs.
2. Room and board costs (or transportation/commuting costs for non-resident students).
3. Out-of-pocket expenses beyond tuition, fees and room and board charges.

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(7) Manfred Ohrenstein, "The Attack on Free Tuition -- Substance and Illusion," Compact, The Education Commission of the States, Vol. 2, No. 1, February, 1968.

4. Costs of being financially unproductive during the years as a student.

Fees

The distinction between tuition and fees to the student who pays both of them as a lump sum is purely academic. For the state universities and state government the distinction is more significant. Tuitions paid must, under existing law, be deposited in the state treasury in special funds reserved for use by the universities. Except for portions of tuition incomes which by law may be held back to supplement income of revenue bond projects at the University of Illinois and Southern Illinois University, these funds are appropriated by the General Assembly as are other funds allocated for operating budgets.

Fees, on the other hand, stay on the campus and are used for special non-instructional purposes such as student activities, student unions, stadiums, assembly halls, health services, insurance, and the like depending upon the purpose for which they are collected.

Fees to be charged at the state colleges and universities in 1968-69 range from $60.00 to $147.00 per year and on four of ten campuses are slightly higher than tuitions charged.

Committee J recommended that fees charged not exceed tuition charges except by express approval of the Board of

Higher Education.(8) This committee recognized the collection of compulsory student fees as a legitimate method of financing certain non-instructional facilities.

Room and Board Costs and Commuting Costs

Room and board charges at public residential campuses are increasing at a rapid rate. A major reason for the rate of increase in room rentals at public institutions being higher than that of private schools is the rapid expansion of dormitory capacity to meet a more rapid rate of enrollment increases. Little state money is used for expansion of living facilities. Rather they are financed by revenue bonds and the enlarged debt service is passed on to students in the form of higher charges. Further, escalating costs of construction and of operation are passed on to students. Most private residential institutions are not expanding rapidly, but where they do, their dormitories are often fully or partially financed by outright gifts or grants with resulting lower charges to students.

In the period from 1957 through 1966-67 dormitory room charges at all public institutions increased by 76.5 per cent while those at all private institutions experienced a 54.1 per cent increase. Projected costs to 1975 indicate 137.6 per cent and 93.6 per cent increases in room charges

(8) Ibid, P.2

respectively for public and private institutions above 1957 levels.(9)

Cost increases for board (meals) and for commuting to college do not show the differentials between public and private institutions observed in room costs. These student expenses are projected to increase at least at the rate of cost of living trends. Commuting expense allowance considered in determination of need for financial assistance by the Illinois State Scholarship Commission and other granting agencies is $1000 per year in 1967 and 1968. Expenses of commuting, of course, vary widely with distance and modes of travel and so many other variables as to defy other than broad estimates. Yet commuting expenses and maintenance expenses are real costs to the student and the parents of this increasing segment of our college population.

Board and room charges at public residential campuses in Illinois for 1968-69 range, for the "average" student on campus, from $800 to $1000 for the school year.

Room charges plus compulsory fees for other non-academic buildings cause a heavy burden on the student. Illinois State University offers a good example of the contributions that students make as opposed to the state for construction of buildings on a campus. Illinois State shows the following figures:

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(9) American Council on Education, op cit. p. 223.

Construction cost of all buildings
on campus ----------$65,000,000
Built by state funds ----------$22,200,000
Built by student charges
(Revenue bonds) ----------$42,800,000

Out-of-Pocket Expenses

Beyond the "fixed" charges for tuition and fees and for board and room or commuting charges, a wide range of incidental expenses confront all college students. While spending habits and availability of funds are the major determiners of the magnitude of "incidentals" it is indisputable that to even the most frugal and desperate of students these are costs of education. Institutions attempt to estimate these costs in statements provided to scholarship agencies for use in the estimating of total costs.

Residential campuses of Illinois public institutions estimate these "incidentals" to range from $350 to $400 per year. (10)

Costs of Financial Unproductivity

Proponents of the free-institution principle allege that a major contribution, in the form of personal and family sacrifice, is made to the public welfare by students who, because they are students, do not produce incomes of which they are capable. While quantification of this factor is most difficult, it may have some bearing on the evaluation of overall contribution of the student to the true cost bene-

(10) Illinois State Scholarship Commission

fit of education. This "unproductivity" becomes more significant as instructional calendars move to full year operations and as students shorten or eliminate the traditional "summer-job" periods.

Out-of-State Students

Not the least controversial of the elements in the tuition rate issue is that of charges to be assessed of non-resident (out-of-state) students. The public universities in Illinois and elsewhere charge higher tuition rates to non-residents than to residents. These charges range from $516 per year to $750 per year at Illinois senior campuses. This is a common and defensible practice.

The controversy centers in two basic premises:

1. Out-of-state tuitions should not be so high as to cause other states to retaliate and refuse to admit Illinois residents to their universities. See Figures 1 and 2. This could be very detrimental since Illinois is a "net exporter" of over 36,000 students. (11) Further, increased "reciprocity" is desirable to avoid costly program duplication and to reduce "boundary barriers" to educational opportunity.

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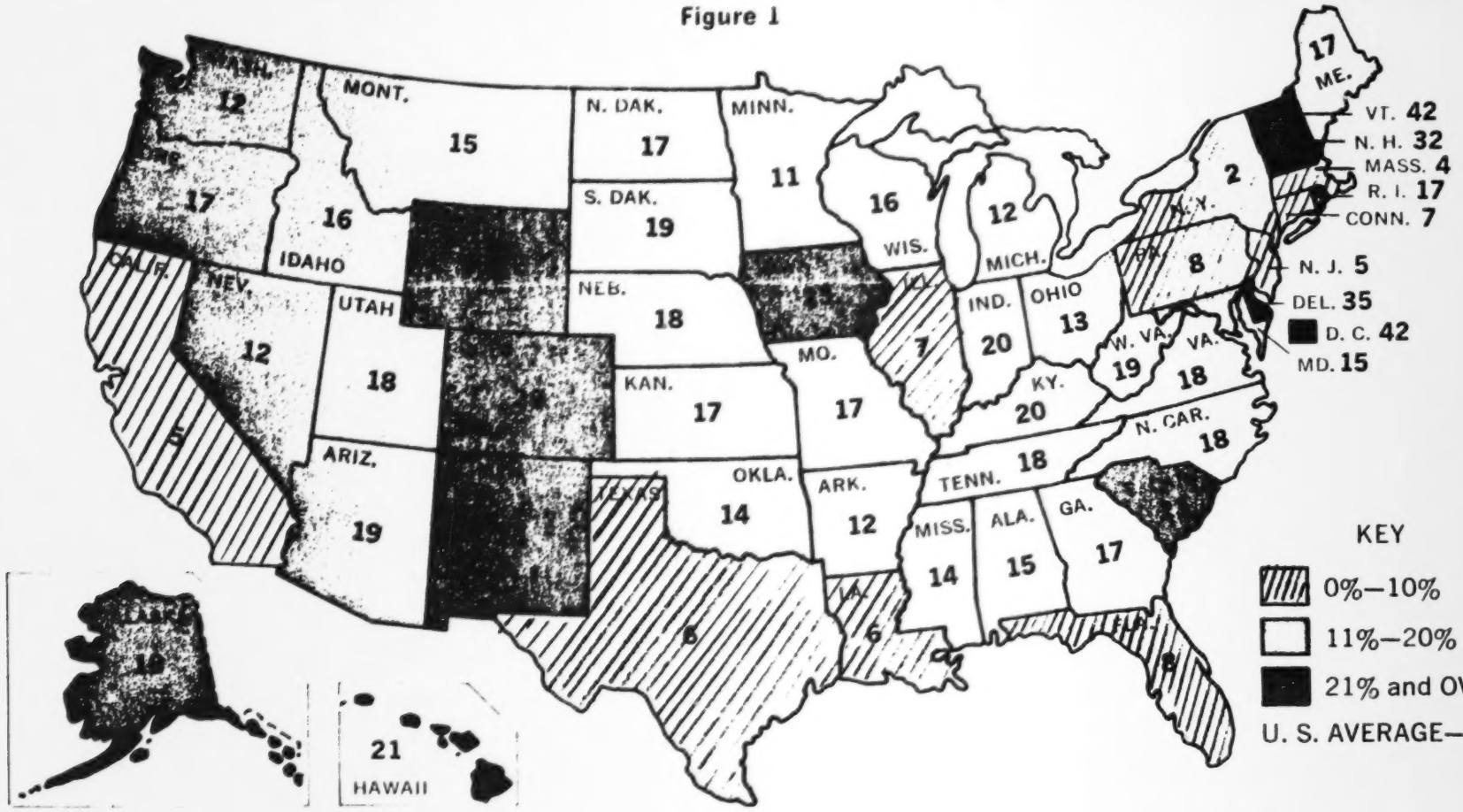
(11) Computed from data contained in: Bureau of Research and Educational Development, Office of Education, U. S. Department of Health, Education & Welfare, "Residence and Migration of College Students, Fall 1963." USOE, Washington, D. C. 1963.

2. Giving Illinois students an opportunity to live and study with a wide range of students from other states and countries is deemed socially desirable and makes for a more cosmopolitan institution which improves the educational climate. Further, extending educational opportunity to non-residents, it is contended, helps to counteract "brain drain" from Illinois to other states.

Proponents of higher charges to out-of-state students argue that Illinois facilities are already overcrowded to the extent that acceptance of out-of-state students, even on the basis of higher admissions requirements, further limits opportunity for Illinois residents.

The number of out-of-state students in Illinois institutions has not represented a significant portion of enrollments. In 1967 the percentages of non-residents ranged from 19% at the University of Illinois, Urbana Campus to 0.8% at Chicago State College and Northeastern Illinois State College. The proportion of out-of-state students enrolled in the public universities of Illinois is lower than any other mid-West state and is one of the lowest in the nation.

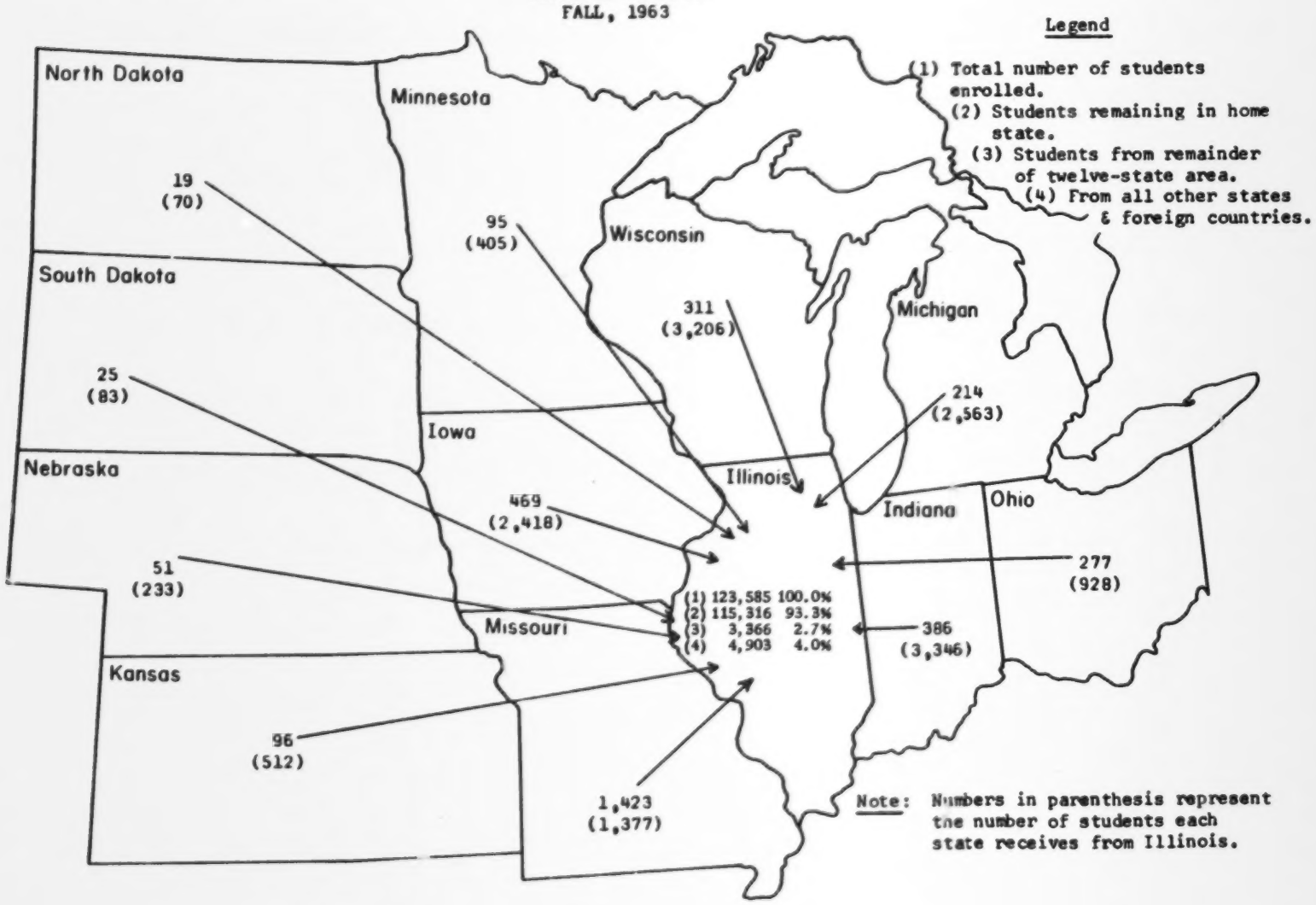
Figure 1



Percent of College Students Enrolled From Out of State: Publicly Controlled Institutions, Fall 1963

Figure 2

GEOGRAPHIC COMPOSITION OF THE STUDENT BODY
ALL STUDENTS, PUBLICLY CONTROLLED INSTITUTIONS
STATE OF ILLINOIS
FALL, 1963



Legend

(1) Total number of students enrolled.
(2) Students remaining in home state.
(3) Students from remainder of twelve-state area.
(4) From all other states & foreign countries.

Note: Numbers in parenthesis represent the number of students each state receives from Illinois.

Master Plan Committee J Recommendations

Illinois historically has accepted the "public benefit" philosophy of higher education and its public institutions have maintained relatively low tuition rates. The increasing costs of educational programs will undoubtedly dictate some tuition adjustment in the future.

In the past, tuition levels in Illinois and elsewhere have been determined on something less than systematic grounds. Master Plan Committee J observed that compromises to handle some particular situation have been the rule in setting tuition rates and recommended that tuition be set on a systematic basis. This committee recommended that tuition levels be related to undergraduate instructional costs and that the students, both undergraduate and graduate pay between 10 and 20 per cent of the observed instructional costs at the institution attended. The Committee further recommended that non-residents pay two to three times the rate for the resident.(12)

The Committee J report presents recommendations and supportive comment covering guidelines for establishing tuition policies at Illinois public senior institutions.

(12) Op cit, p.2

CHAPTER 2

EDUCATIONAL OPPORTUNITY
MASTER PLAN OBJECTIVES AND FINANCIAL MEANS

The State of Illinois has over the past several years made steady progress in its quest to provide higher educational opportunity for all qualified students. The General Assembly in 1965 enacted into law Master Plan recommendations of the Illinois Board of Higher Education which would create a statewide system of public commuter junior colleges.(1)

Such commuting campuses are but another facet of Illinois' effort to bring low cost education to the student. In line with this effort Master Plan-Phase II recommended the establishing of additional senior commuting institutions in populous urban centers.(2) The General Assembly in its 1967 session began implementation of this recommendation. Also, sites for new campuses were authorized for Springfield and the suburban area south of Chicago. In addition, the 1967 General Assembly enacted the new grant program recommended in Phase II and appropriated the necessary funds for aiding several thousand students. This program was assigned to the Illinois State Scholarship Commission and its staff, which

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(1) Board of Higher Education, "A Master Plan for Higher Education in Illinois", Springfield, Illinois, July, 1964.

(2) Board of Higher Education, "A Master Plan-Phase II - for Higher Education in Illinois", Springfield, Illinois, December, 1966.

already administered both a scholarship and a loan program.

The figures given in Table I below indicate that this grant program, which was designed to meet the needs of students regardless of their academic talent (with the qualification that they had to remain in good standing at the institution of their choice) is indeed reaching a more needy level of student than is the competitive (scholarship) program administered by the Illinois State Scholarship Commission.

TABLE I[1]

Average Figures For Applicants - 1968-1969 - Freshman
Competitive and Grant Programs
Illinois State Scholarship Commission
(All Institutions)

	Scholarship Program	Grant Program
Total Famuly Earnings	$11,844	$ 9,461
Home Equity	11,194	8,712
Other Real Estate	1,002	717
Savings & Investments	3,618	2,060
Expected Parental Contribution from Income and Assets	1,533	880
Average Award at Four Year Public School	248	247
Average Unmet Need at Four Year Public School	436	521
Average Unmet Need at Four Year Private School	563	334
Number of Students Aided at Public Institutions	6,284	7,148
Number of Students Aided at Private Institutions	8,511	10,721

(1) Illinois State Scholarship Commission, Comparative Study - Monetary Applicants, May, 1968, Deerfield, Illinois.

It is of particular interest to note that the average unmet need of grant applicants was higher at public schools than at private. Unmet need means those dollars which the Scholarship Commission can not, because of statutory limitations, provide and which a need analysis indicates the student and/or his family can not reasonably provide. This fact would tend to reflect the statement previously made that costs other than tuition and fees, which can not be paid by grant funds, are lower at private than at public institutions. It would also indicate that truly poor students apply to public institutions and still can not meet the charges levied.

Prior to those recent events, the General Assembly established a system by which tuition and certain fees are waived at public colleges and universities for a proportion of high school graduates provided they rank in the upper half of the class and enroll in a teacher education program in college. Those waivers are awarded to student applicants regardless of their family income. Thus, while the program is designed to entice students into teacher preparation curricula, it does not necessarily aid students who would otherwise be barred from college for financial reasons.

Clearly, the voters of the State of Illinois acting through their elected representatives have recognized the need for an expansion of educational opportunity in the State. Many significant steps have been taken in this direction.

In addition, the General Assembly has consistently recognized the need to maintain relatively low tuition and fees at senior public institutions if educational opportunity is to be enhanced. Continued efforts must be made, based on Illinois' past achievements in the area of broadening educational opportunity, if we are to fulfill the goals established by our citizens and the General Assembly.

Table II records the cost to an undergraduate of attending a senior public institution in Illinois during the 1967-68 academic year. It must be emphasized that the estimated total costs recorded in this table are indeed only estimates, but they are estimates made on the basis of the best information available to responsible state and university officials. Obviously, such costs will vary from student to student. Table III gives a breakdown of the fees at each of the eleven campuses of the State.

Table IV indicates that tuitions and fees have risen at a rather rapid rate in Illinois during the past twenty years.

TABLE II

COST OF ATTENDING A SENIOR PUBLIC INSTITUTION OF HIGHER EDUCATION IN ILLINOIS AS A RESIDENT UNDERGRADUATE DURING THE 1967-1968 ACADEMIC YEAR

Institution	Tuition	Fees	Est. Total Commuter Cost [a]	Est. Total Resident Cost [a]
C.S.C.	$120	$ 40.00	$1,160	$1,510
E.I.U.	120	114.75	1,233	1,598
I.S.U.	120	126.00	1,225	1,680
N.I.S.C.	120	40.00	1,160	1,510
N.I.U.	120	138.50	1,259	1,684
S.I.U. at Carbondale	126	115.50	1,242	1,562
S.I.U. at Edwardsville	126	115.50	1,242	1,567
U. of I. at Chicago Circle	171	114.00	1,285	1,685
U. of I. at Urbana	170	100.00	1,270	1,635
W.I.U.	120	114.75	1,233	1,532

[a] The Illinois State Scholarship Commission, "College Costs - 1967-68 Academic Year," Deerfield, Illinois.

TABLE III

RECURRING MANDATORY FEES EXCLUSIVE OF TUITION FOR FULLTIME UNDERGRADUATE STUDENTS

Academic Year
1967-1968

CHICAGO STATE COLLEGE

	Per Trimester	Two Trimesters
Activity Fee	$20.00	$40.00

EASTERN ILLINOIS UNIVERSITY

	Three Quarters
Student Activity Fee	$30.00
Bond Revenue Building Fee	42.00
Textbook Rental Fee	24.00
Health Ins. Fee	18.75
Total	$114.75

ILLINOIS STATE UNIVERSITY

	Two Semesters
Activity	$32.00
Insurance	17.00
University Union	22.00
Recreational Facilities	18.00
Textbook Rental	16.00
Athletic & Service	21.00
Total	$126.00

NORTHEASTERN ILLINOIS STATE

	Per Trimester	Two Trimesters
Activity Fee	$20.00	$40.00

NORTHERN ILLINOIS UNIVERSITY
(Drawn from the 1967-68 catalog)

	Two Semesters
Activity Fee	$36.00
Athletic Fee	20.00
Bond Revenue Fee	66.00
Insurance	16.50
Total	$138.50

Table III - Continued

SOUTHERN ILL. UNIV. AT CARBONDALE

	Three Quarters
Activity Fee	$31.50
Student Welfare & Recreation Facility Fund	45.00
University Center (Student Union)	15.00
Book Rental	24.00
Total	$115.50

SOUTHERN ILL. UNIV. AT EDWARDSVILLE

	Three Quarters
Activity Fee	$31.50
Student Welfare & Recreation Facility Fund	45.00
University Center (Student Union)	15.00
Book Rental	24.00
Total	$115.50

UNIV. OF ILLINOIS AT CHICAGO CIRCLE

	Three Quarters
Service Fee (to Chicago Circle Center)	$81.00
Hospital - Medical - Surgical Insurance	18.00
Activities Fee	15.00
Total	$114.00

UNIV. OF ILLINOIS - MEDICAL

	Three Quarters
Service Fee -	
Medicine	$381.00
Dentistry	336.00
All Others	111.00
(36.25% of each of the above to the Medical Center Union Bond Fund)	
(63.75% of each of the above to the Dentistry - Medicine - Pharmacy Revenue Bond Fund)	
Hospital - Medical - Surgical Insurance	18.00

Table III - Continued

UNIVERSITY OF ILLINOIS - URBANA	Two Semesters
Illini Union and Health Center Revenue Bond Fund	$37.00
Assembly Hall Revenue Bond Fund	37.00
Student Services Building Revenue Bond Fund	6.00
Hospital - Medical - Surgical Insurance	20.00
Total	$100.00

WESTERN ILLINOIS UNIVERSITY	Three Quarters
Student Activity Fee	$30.00
Bond Revenue R-56 (Student Center)	12.00
Bond Revenue R-62 (Multi-Purpose)	12.00
Bond Revenue R-62 (Union Addition)	42.00
Health Insurance	18.75
Total	$114.75

TABLE IV

TUITION AND FEES PAID DURING AN ACADEMIC YEAR
BY A FULL-TIME UNDERGRADUATE STUDENT
1947, 1952, 1957, 1962, 1967

	1947	1952	1957	1962	1967
Eastern	$ 58.50	$105.00	$153.00	$192.00	$232.50
% Increase		79%	162%	228%	297%
Ill. State	65.00	100.00	140.00	180.00	225.00
% Increase		54%	115%	177%	246%
Northern	75.00	90.00	130.00	216.00	258.00
% Increase		20%	73%	188%	245%
Southern	82.50	78.00	163.50	184.50	241.50
% Increase		(5%)	98%	124%	193%
Univ. of Ill.	116.00	120.00	200.00	270.00	270.00
% Increase		3%	72%	133%	133%
Western	45.00	90.00	123.00	162.00	232.50
% Increase		100%	173%	260%	417%
Average	$ 73.67	$ 97.17	$151.58	$200.75	$243.33
% Increase		32%	106%	172%	230%

Further, the tuition and fee increases charted above have exceeded that which the usual economic indices would require to keep pace with the national economy. For example:

> The Consumer Price Index of the U. S. Department of Labor indicated the purchasing power of the 1947-49 dollar to be $ .716 -- this would dictate an increase in the 1947 average tuition and fees from $73.67 to $102.89.
>
> The Department of Labor further indicates an increase in the "all items" index of 39.6% from 1947 to 1966 which would call for an average charge of $102.84. The "services" index has increased 25% between 1957 and 1966 which would predict an increase in average charges from $151.58 to $189.48.

Bureau of Census data indicate increases for a similar period as follows:

	1947	1952	1957	1962	1965
*Gross Nat'l Product		28%	46%	71%	98%
*Personal Consumption		16%	40%	64%	92%

Table IV - Continued

Thus, the increase in student charges reflects costs of higher education which are rising faster than the costs of other segments of the economy and demanding an increasing share of our Gross National Product and our expenditures for personal consumption.

Furthermore, the increases in tuition and fees have been much greater than the increased capacity of the public to meet such increases as evidenced by:

(Expressed in 1958 billions)

	1947	1952	1957	1962	1965
*Disposable Personal Income	218	263	316	367	431
% Increase		21%	45%	69%	98%

SOURCE: U.S. Bureau of Census, LONG TERM Economic Growth 1860-1965, 1966

Gross Average Weekly Earnings in Selected Occupations
(Non-supervisory personnel)

	1947	1952	1957	1962	1967*
Mining	$ 59.94	$ 77.59	$ 98.65	$110.43	$141.35
% Increase		29%	65%	84%	136%
Construction	58.87	82.86	100.27	122.47	166.56
% Increase		41%	70%	108%	183%
Manufacturing	49.17	67.16	81.59	96.56	127.46
% Increase		37%	66%	96%	159%
Retail Trade	36.94	47.79	56.89	65.95	83.31
% Increase		29%	54%	79%	126%

SOURCE: U.S. Department of Labor, EMPLOYMENT AND EARNINGS STATISTICS 1909-66., 1966

* estimated

Illinois Per Capita. Income

	1948	1952	1957	1962	1967*
Income	$ 1815.00	$ 2078.00	$ 2448.00	$2826.00	$3720.00
% Increase		14%	35%	56%	105%

SOURCE: U.S. Department of Commerce, Office of Business Economics

In summation it would appear that tuitions and fees at public Illinois institutions have risen at about twice the rate of personal income in the State. Such an increase can only serve to retard our attempt to create educational opportunity for all unless other means are provided for financing the costs of education for low and average income families.

Table V permits the reader to compare tuitions and fees at Illinois' public senior institutions with other representative public universities. It is readily noted that our institutions are generally grouped down on this ranked list. Apparently Illinois has succeeded better than some other states in minimizing the financial barrier to education.

TABLE V

RESIDENT UNDERGRADUATE TUITION AND FEES AT REPRESENTATIVE SENIOR PUBLIC INSTITUTIONS[a]

1.	Univ. of New Hampshire	$ 688	52.	University of Missouri	$ 350
2.	Univ. of Vermont	678	53.	University of Nevada	350
3.	Miami University - Ohio	540	54.	University of Alabama	350
4.	Virginia State College	534	55.	University of Delaware	350
5	Rutgers, The State Univ.	528	56.	University of Wyoming	347
6.	Kent State Univ. - Ohio	510	57.	University of Washington	345
7.	Clemson Univ. - S. C.	496	58.	Washington State Univ.	345
8.	Ohio University	495	59.	Colorado State University	342
9.	Univ. of S. Carolina	455	60.	University of Georgia	333
10.	Univ. of Virginia	452	61.	Purdue Univ. - Indiana	330
11.	Ohio State University	450	62.	Kansas State Univ.	328
12.	Pennsylvania State Univ.	450	63.	Utah State Univ.	327
13.	University of Nebraska	433	64.	Univ. of North Carolina	326
14.	University of Michigan	420	65.	Univ. of Tennessee	315
15.	Virginia Polytechnic Inst.	420	66.	Auburn Univ. - Alabama	300
16.	Wayne State University	411	67.	University of Alaska	292
17.	Langston University - Okla..	406	68.	Univ. of Ill.-Chicago Circle	288
18.	South Dakota State Univ.	402	69.	Delaware State College	283
19.	State Univ. of New York	400	70.	Arizona State University	286
20.	University of Maine	400	71.	Univ. of Ill.- Urbana	282
21.	New Mexico State Univ.	396	72.	West Virginia University	280
22.	University of Utah	390	73.	University of Kentucky	280
23.	University of Minnesota	386	74.	University of Arizona	279
24.	University of Oklahoma	384	75.	Eastern Illinois University	267
25.	University of S. Dakota	384	76.	Northern Illinois Univ.	260
26.	Florida A. & M. University	384	77..	University of Arkansas	250
27.	University of Kansas	378	78.	University of California	248
28.	Iowa State University	375	79.	Illinois State University	247
29.	Georgia Inst. of Tech.	375	80.	Southern Ill.Univ.-C'dale	242
30.	Florida State University	375	81.	Southern Ill.Univ.-E'ville	242
31.	Univ. of Florida	375	82.	Western Illinois University	241
32.	Univ. of Iowa	370	83.	Center System-Univ.of Wisc.	238
33.	Oregon State University	369	84.	University of Hawaii	233
34.	University of Oregon	369	85.	Univ. of Houston - Texas	226
35.	University of Colorado	369	86.	Maryland State College	220
36.	A. & T. State Univ.of N.C.	368	87.	Louisiana State University	220
37.	Univ. of Maryland	366	88.	Ag.,Mech.& Normal Coll.-Ark..	214
38.	Fort Valley State Coll.-Ga.	366	89.	University of Idaho	210
39.	Montana State Univ.	366	90.	University of New Mexico	204
40.	Univ. of Montana	362	91.	Lincoln Univ.-Missouri	200
41.	Oklahoma State Univ.	360	92.	Texas A & M University	192
42.	North Dakota State Univ.	360	93.	Alcorn A & M Coll.-Miss.	191
43.	Univ. of North Dakota	360	94.	University of Connecticut	190
44.	South Carolina State Coll.	360	95.	Texas Tech. College	167
45.	Indiana University	360	96.	Prairie View A & M Coll.,Texas	166
46.	North Carolina State Univ.	357	97.	Northeastern Ill.S.C.-Ill.	165
47.	University of Rhode Island	353	98.	Chicago State Coll.-Ill.	160
48.	Madison Campus - U.of Wisc.	350	99.	Southern University - La.	158
49.	Milwaukee Campus-U.of Wisc.	350	100.	Univ. of Texas at Austin	144
50.	Univ. of Mississippi	350	101.	Univ. of Puerto Rico	144
51.	Univ. of Massachusetts	350	102.	Kentucky State College	120
			103.	Texas Southern	94

[a]All figures are costs for one academic year. Illinois figures are for the 1968-69 academic year - all others are for 1967-68.

The term "economic" or "financial barrier" to higher education deserves careful definition. Such a definition has been developed as a result of the comprehensive "need analysis" used by the Illinois State Scholarship Commission. If, after this thorough analysis of a family's assets, it is found that a student and his family can not reasonably be expected to meet the cost of his education at his chosen institution, the student is defined as having "need," or, an "economic barrier" exists to his continuing his education.

A profile of the financial burdens to be assumed by the "average applicant" applying to the Illinois Scholarship Commission for a grant in 1968-69 is compiled from current records to illustrate some of the financial requirements of "needy" students. This average applicant comes from a family with a total income of $9,241 of which $1,500 to $1,700 is earned by the mother. The student's cost for a year of education at a senior public institution is estimated at slightly over $1,700. To derive this money, the student is expected to earn or borrow about $400 and derive $783 from family contributions. The average grant made to him by the state is $179. With all of these resources, an unmet need of $384 remains for this student.

Although these figures indicate some of the financial barriers currently met by grant applicants, undoubtedly size-able groups of disadvantaged students can be found in the

state who are too poverty stricken to entertain the possibility of becoming grant applicants.

As college-going rates increase the larger enrollments at the public institutions will of necessity come from lower and lower economic groups. Thus the proportion of the student body having financial need at the public institutions can be expected to rise steadily.

The Illinois Department of Business and Economic Development Research Division estimates, by way of comparison with all of the above figures, that the 1968 median Illinois family income, projected on the basis of increases in per capita income as reported by the U. S. Department of Commerce, will be $9,786.

In conclusion, it is evident that, based on the best calculations of parental and student ability to pay, the cost of higher education is a barrier to many Illinois youth. This fact leads to the position that any increase in tuitions must be offset by corresponding increases in grant funds or tuition waivers if this financial barrier is to be limited or removed.

In addition to the above considerations, the small effect of any tuition increase on total revenues must be considered. Table VI records the in-state tuition dollars collected from students (Col.E), from scholarship and grant sources (Col.G), and waived (Col.I) at each of the senior public

institutions between June of 1966 and June of 1967. In addition, the effect of an across-the-board $75 increase in in-state tuitions is calculated. The sums of Columns K and L indicate that such an increase would net the state $5,463,073 per year, or $10,926,146 per biennium, assuming constant enrollments as of 1966-1967. This $10,926,146 increase would represent 1.8% of the $597,700,000 1967-1969 biennial appropriation to the public senior colleges.

TABLE VI *

RESULT, IN TERMS OF DOLLARS RAISED, OF A $75 ACROSS THE BOARD INCREASE IN ILLINOIS RESIDENT TUITIONS AT ILLINOIS' SENIOR PUBLIC INSTITUTIONS

A Institutions	B Tuition - Reg Term 1966-67 c.	C Column B + $75	D % $75 is of Col. B; i e. % of Increase	E Ill. Resident Tuition $ Paid June'66-June'67 (from students)	F Column E Increased by % in Col. D d.	G Ill. Resident Scholarship & Grant Tuition $ Collected June'66-June'67
Chicago State College	$120	$195	62.5%	192,148	312,241	4,019
Eastern Illinois Univ.	$120	$195	62.5%	573,789	932,407	74,558
Illinois State Univ.	$120	$195	62.5%	479,797	779,670	74,344
Northeastern Illinois State	$120	$195	62.5%	379,424	616,564	1,800 b.
Northern Illinois Univ.	$120	$195	62.5%	1,241,351	2,017,195	129,354
Southern at Carbondale	$126	$201	59.5%	1,187,598	1,894,219	225,708 b.
Southern at Edwardsville	$126	$201	59.5%	475,205	757,952	24,662
Univ. of Ill. - Chicago Circle	$171	$246	43.9%	1,577,077	2,269,414	103,985
Univ. of Ill - Urbana	$170	$245	44.1%	2,116,176	3,049,410	810,917
Western Illinois Univ.	$120	$195	62.5%	452,457	735,243	70,400
Total				8,675,022	13,364,315	1,519,747

* The assumption is made for the purposes of this table that resident (i.e., in-state) enrollments will remain constant at the June 1966 - June 1967 level.

Table VI - Continued

Institutions	H Column G Increased by % in Col. D d.	I Ill. Resident Waiver Tuition $ June'66-June'67	J Column I Increased by % in Col. D d.	K (Column F - Column E)	L (Column H - Column G)	M (Column J - Column I)
Chicago State College	6,531	476,334	774,043	120,093	2,512	297,709
Eastern Illinois Univ.	121,157	468,023	760,537	358,618	46,599	292,514
Illinois State Univ.	120,809	696,839	1,132,363	299,873	46,465	435,524
Northeastern Illinois State	2,925	276,302 b.	448,991	237,140	1,125	172,689
Northern Illinois Univ.	210,200	491,955 a.	799,427	775,844	80,846	307,472
Southern at Carbondale	360,004	590,618 b.	942,036	706,621	134,296	351,418
Southern at Edwardsville	39,336	89,024	141,993	282,747	14,674	52,969
Univ. of Ill. - Chicago Circle	149,634	199,836	287,564	692,337	45,649	87,728
Univ. of Ill. - Urbana	1,168,531	996,977	1,436,644	933,234	357,614	439,667
Western Illinois Univ.	114,400	324,460	527,248	282,786	44,000	202,788
Total	2,293,527	4,610,368	7,250,846	4,689,293 e.	773,780 e.	2,640,478 e.

NOTES TABLE VI ($75 increase)

a. Out-of-state figures were not available. Hence all are included here.

b. No out-of-state figures were given. Hence all are included here.

c. The tuition given is that for a full-time in-state student attending the institution for two trimesters, two semesters, or three quarters.

d. These figures represent the dollar amounts that would have been collected from the indicated sources if the tuition for a full-time in-state student during the academic year had been $75 higher and the tuitions of part-time and summer school in-state students had been proportionately higher.

e. These total figures represent the net increase in dollar return to all institutions, in each of the three tuition categories, as a result of a $75 increase in academic year tuitions for in-state students and proportionate increases in other in-state tuitions. Column K represents increased tuitions paid by students, Column L, the increase paid by scholarship and grant sources (if increases were made in all of them to cover tuition increases - an unlikely eventuality) and Column M represents the additional monies which would be waived.

CHAPTER 3

RECOMMENDATIONS

Certain assumptions underlie the recommendations below.

1. The first of these is that tuition and fees should have a systematic relationship to some other variable within the system. As in other states, Illinois tuition and fees have had little or no historical relationship to any objective criteria. The recommendation made by Master Plan Committee J, and now recommended by the Board, is that tuitions should be based on the cost of educating an average undergraduate student, and that fees not exceed tuition. The Board makes the assumption that it is necessary for the undergraduate student to pay a fixed percentage of the cost of his own education.

Table VII indicates the average cost per undergraduate credit-hour by each governing board system.

2. In addition, the Board of Higher Education sees a clear necessity to generate assistance funds for low income students. This should be done at minimum cost to the state and with maximum administrative efficiency.

3. Reasonably, the out-of-state student can be expected to pay a major part of the cost of his education in Illinois.

In view of the positions stated above the Board makes the following recommendations:

TABLE VII

AVERAGE UNDERGRADUATE COST PER CREDIT-HOUR, AND FULLTIME STUDENT AT PUBLIC ILLINOIS SENIOR INSTITUTIONS 1966-67, WITH RELATED INFORMATION.

A	B	C	D	E	F
Institution	Av.Cost/ Credit Hour	Cost/Full-time Student i.e. 30x Col.B	20% of Cost (Col.C)	Present Tuition	Add $75 1969-71
E.I.U.	$39.08	$1,172		$120	
N.I.S.C.	32.26	968		120	
C.S.C.	35.62	1,069		120	
W.I.U.	33.69	1,011		120	
Total	$35.46	$1,064	$212.80	$120	$195
I.S.U.	36.69	1,101		$120	
N.I.U.	34.20	1,026		120	
Total	$35.39	$1,062	$212.40	$120	$195
S.I.U. -C	$38.85	$1,166		$126	
S.I.U. -E	51.80	1,554		126	
Total	$41.81	$1,254	$250.80	$126	$201
U. of I. -U	$43.48	$1,304		$170	
U. of I. -C.C.	55.24	1,657		171	
Total	$47.29	$1,419	$283.80	$170	$245
Grand Total	$40.92	$1,228			

Recommendation 1:

Tuition and fees not exceed the equivalent of 40% of instructional cost.

A. By 1971, Illinois resident tuition rates be increased by the respective governing boards of public senior institutions to 20 per cent of observed undergraduate instructional costs and maintained at that percentage level thereafter.

1) The 20% cost be determined for each governing board system through the Board of Higher Education annual unit cost study.

2) An increase of $75 per academic year per fulltime student be assessed in the Fall of 1969 and appropriate increases in part-time and summer enrollments be assessed at the time of that and subsequent enrollment periods.

3) The balance of any increase necessary for an institution to attain a tuition level of 20 per cent of the system cost be assessed at the opening of the 1971 Fall term. This provision not be effective unless Recommendation 2. below is provided for by law in 1969 or an increase in grant funds is authorized for support of the number of students in public institutions equivalent to the number aided by the teacher scholarship waiver program.

TABLE VIII

TOTAL RESIDENT UNDERGRADUATE TUITIONS, FEES, INSTRUCTIONAL COSTS AND RELATED INFORMATION FOR PUBLIC SENIOR COLLEGES IN ILLINOIS

A	B	C	D	Q	R	S	T	U	V
Institution	1967-1968 Tuition[a]	1967-1968 Fees[a]	Tuition plus fees Col B+Col C	System Instrl.Cost per Credit Hr.[d]	System Instrl. Cost per year per Fulltime Stu. 30 x Col Q	Per Cent Tuition is of System Cost Col B÷Col R	Tuition at 20% of System cost level 0.2xCol R	Increase over present tuition Col T-Col B	Per Cent Increase Col U÷Col B
C.S.C.	$120	$40	$160	$35.46	$1,064	11.3	212.80	92.80	77.3
E.I.U.	120	114.75[b]	234.75	35.46	1,064	11.3	212.80	92.80	77.3
I.S.U.	120	106.00[c]	226	35.39	1,062	11.3	212.40	92.40	77.0
N.I.S.C.	120	40	160	35.46	1,064	11.3	212.80	92.80	77.3
N.I.U.	120	140	260.00	35.39	1,062	11.3	212.40	92.40	77.0
S.I.U.-C	126	115.50[b]	241.50	41.81	1,254	10.0	250.80	124.80	99.0
S.I.U.-E	126	115.50[b]	241.50	41.81	1,254	10.0	250.80	124.80	99.0
U.of I.-C.C.	171	114	285	47.29	1,419	12.1	283.80	112.80	66.0
U.of I.-U.	170	100	270	47.29	1,419	12.0	283.80	113.80	66.9
W.I.U.	120	114.75	234.75	35.46	1,064	11.3	212.80	92.80	77.3

a. Tuitions and fees are for a fulltime student attending the institution for three quarters, two semesters, or two trimesters. Figures are drawn from the institutions' 1967-68 catalogues. The fee cost represents the level of all mandatory and recurring fees.

b. Includes a $24.00 book rental fee.

c. Includes a $16.00 book rental fee.

d. These figures are drawn from the 1966-67 Unit Cost Study.

B. Average Compulsory fees charged by a governing board to all fulltime students not exceed the total tuition charge without express approval of the Board of Higher Education. Further, for purposes of determination of balances between student tuition charges and compulsory student fees, the portion of tuition charges used for debt service for bond revenue projects exceeding the proportion of the total operating funds for revenue bond projects provided from general revenue sources for the Board of Governors of State Colleges and Universities and the Board of Regents institutions be subtracted from the tuition rate in establishing the annual tuition level not to be exceeded by average compulsory fees.

Table VIII records the present percentage of instructional cost charged in the form of tuition and other data indicating that this recommendation would result in ultimately raising resident tuitions from 66 to 99 per cent, based on present costs.

The effect of a $75 increase in tuition charged in-state students in terms of monies to be generated is readily derived from Table VI. Based on institutional data and holding constant the enrollments of June 1966-June 1967 time-period, the public colleges and universities would receive an additional $5,463,073 per year from in-state student, scholarship, and grant sources, or $10,926,146 for a biennium. Estimates of monies to be derived from enrollment increases are shown on Page 50.

In addition to the $75 tuition increase, Table VII indicates that substantial tuition increases would again be necessary in 1971 to reach 20 per cent of the instructional cost level. The increases are likely to be higher than those inferred from Table VII since inflationary pressures affecting all aspects of the economy will also raise costs at the public institutions to higher levels.

The Board recommends that the 20 per cent of cost level be the absolute limit to which tuitions are allowed to rise. This figure was the maximum recommended by Master Plan Committee J. The committee also recommended that fees not exceed tuitions. The combined costs, therefore, should not exceed 40 per cent of an amount equivalent to the costs of instruction.

Given the premise that student tuition charges should have a systematic relationship to the cost of instruction, the practice of diverting tuition incomes to other than instructional costs, such as the support of bond revenue projects, except as an interim expedient until sufficient operating revenues are generated, would seem an incongruity.

The University of Illinois and Southern Illinois University have statutory authority to pledge tuition incomes to bond revenue projects. In 1966-67, 32% of tuition incomes at the Urbana Campus were so pledged. Southern pledged 29.1% of tuition incomes at Carbondale Campus and 26.2% at Edwardsville Campus to this use.

The staff believes that continuation of this practice with increasing portions of tuition incomes possibly being pledged to revenue bond projects would distort the true interpretation of the degree of student participation in actual instructional costs. Further, increases in compulsory fees to a level at or near the level of tuition charges which are not entirely applied to instructional benefit would not be in keeping with the intent of this policy.

There can be no doubt that with these higher charges a greater proportion of our young people than at present will find an economic barrier between themselves and higher education. Since evidence presented earlier in this document indicates that even at present levels of student charges a large proportion of middle-class Illinois families experience difficulty in financing the residence of their children at a senior state institution, it may be expected that tuition and fee increases will result in rising appropriation needs for the grant program of the Illinois State Scholarship Commission to help minimize the new strain. Increases in student charges to levels beyond the equivalency of 40 per cent of costs would result in making more and more public college enrollees eligible for grant funds, resulting in collecting funds at one point only to distribute them to the same persons at another.

The Board of Higher Education, in view of the factors considered above, considers 40 per cent of cost to be an obsolute maximum feasible tuition-fee charge.

Recommendation 2:

All teacher education scholarships, as provided in Article 30 of the School Code, be transferred for administrative purposes to the Illinois State Scholarship Commission and students otherwise qualified to receive these waivers be required to exhibit financial need at the public institution of their choice in the same manner that scholarship monetary winners and grant recipients must now show need.

a. The number of available waivers remain as presently legislated.

b. Rather than a given number of waivers being made available to the students of each school, all waivers be consigned to a state pool and from that pool waivers be awarded to those students otherwise qualified who exhibit the greatest need, wherever within Illinois they may happen to live or may happen to have attended secondary school.

c. As few changes as possible be made in the existing law relative to teacher education waivers except that (1) if a student shows financial need at a public institution, all of his tuition and fees, as defined in Section 30-15.7 of the School

Code, be waived for his four years of education, and (2) provisions in relation to student status, such as residence and academic standing, be the same as that used for the State Scholarship and Grant programs.

However laudable the purposes to which such funds are put, the Illinois Board of Higher Education takes the position that it is undesirable to subsidize collegiate education for those fully able to pay their own costs by waiving tuition payments of such students. The net effect of this recommendation will be to channel tuition waivers to students who need them rather than distributing them to rich and poor alike as is presently the case.

It is not suggested that "special education" waivers be included in this administrative change. The latter waivers are of such a specific nature that the Board feels that it would be difficult to award them strictly on a need basis.

The student should have to apply to the Illinois State Scholarship Commission only once to obtain a waiver for four years of training, as at present. The administration of partial waivers should not be attempted. The change in the School Code would waive the same compulsory fees for waiver holders as are now waived for state grant and scholarship holders. Common ground rules in making applications will allow the State Scholarship Commission to administer the programs at optimum efficiency and will reduce the number of different applications

to various agencies to which students are now compelled to apply.

The more lenient definition of fees used in Section 30-15.7 as contrasted with that used in Section 30-13 would add to the value of a teacher scholarship. Consequently it would increase the cost of these waivers to the state. However, waivers would be granted only to those persons having financial "need." Since need data are not available on the financial capabilities of present teacher waiver holders, no comparative figures may be given. In any case, the waiver program does not involve a new appropriation by the General Assembly. The ten senior public institutions reported that they waived $2,593,453 in tuitions from June 1966 to June 1967 for teacher education scholarship holders. Also waived for these students were approximately $540,000 in activity and incidental fees. If all other fees had been waived, an estimated $1,680,000 would have been involved.

Master Plan Committee P recommended that all awards should be based on financial need and that teacher education scholarships should be administered by the central scholarship agency of the state.

The Illinois Board of Higher Education now makes this recommendation to the Illinois General Assembly. The centralization and simplification of scholarship, grant, and waiver programs will result in administrative savings for the public and ease

of application by the students.

Recommendation 3:

Sufficient additional appropriations be made to the Illinois State Scholarship Commission to defray the additional need created among undergraduate Illinois students as a result of the recommended increases in tuition. The Illinois State Scholarship Commission staff estimates that a $75 across-the-board tuition raise at the public institutions would increase its need for funds by $1,046,175 in the scholarship program for the 1969-1971 biennium and by $1,327,875 in the grant program, assuming these programs are not otherwise expanded over their presently authorized levels. No estimate is made here of probable raises in compulsory fees nor is a request made for additional funds which might then be required for these two programs. The Board recommends that an additional $2,500,000 be appropriated to the Illinois State Scholarship Commission to cover the need generated by raising tuition - this appropriation to be available for use during the 1969-1971 biennium. It is pointed out that this $2,500,000 figure is less than 10 per cent of the total projected increase in revenues to be derived from the tuition increases here recommended for the 1969-1971 biennium.

Recommendation 4:

Out-of-state tuition rates at the senior public Illinois institutions be increased by $100 per year, beginning in the Fall of 1969 except that if an annual increase of $100 or more is effective in the Fall of 1968 the beginning date of the $100 yearly increase shall be in the Fall of 1970, until such time as tuition-fee charges are equivalent to the full undergraduate instructional costs as observed in the then current cost study.

According to Table IX, which assumes a constant enrollment, the $100 increase in addition to currently planned tuition increases would yield in excess of 1966-67 tuitions, $871,999 in 1969-70 and $1,392,029 in 1970-71, or a total of $2,264,028 for the next biennium. Delaying the effective date of the $100 yearly increase for institutions which effected increases of $100 or more in 1968 would yield a lesser tuition income, $774,620 in 1969-70 and $1,305,162 in 1970-71, or a total of $2,079,782.

The difference in increased income to be realized is overshadowed by the undesirable effect of an increase of $100 in 1969 following a $310 per year increase effected in 1968 by the Board of Governors of State Colleges and Universities and the Board of Regents.

Recommendation 5:

Graduate and professional students be charged the same tuition rates as undergraduate students having comparable in- or out-of-state residential status. This recommendation coincides with that made by Master Plan Committee J, and recognizes the need to retain in the state persons educated through advanced degree levels. Because of the high cost of graduate education, an extraordinary barrier to graduate education would be created if graduate and professional students were to pay the same percentage of their instructional cost as is recommended for undergraduates.

Projected Net Effect of Tuition Increases Recommended(1)

Assuming that the capital budget authorizations of the 75th General Assembly are completed on schedule, it is expected that enrollments on these campuses will be 28 per cent above their fall 1966 level in the fall of 1969 and 39 per cent over their 1966 level in the fall of 1970.(2) Under these conditions the foregoing recommendations will yield the state approximately $25,696,997 in increased revenue in the 76th biennium. Of this figure $13,005,246 ($10,926,146 from in-state and $2,079,782

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(1) Adjusted in revised draft for delay of one year in initiating $100 annual increase in out-of-state tuitions at Board of Governors and Board of Regents institutions.

(2) Institutional enrollment projections submitted in support of 75th Biennium Capital Budget requests.

TABLE IX

PROJECTED INCREASE IN OUT-OF-STATE TUITION INCOMES FOR 1969 AND 1970
Assuming a $100 increase in each year and 1966-67 out-of-state enrollment levels.*

Institution	1966-67 Out-of-State Tuition Rates	1966-67 Out-of-State Tuition Income	1968-69 Out-of-State Tuition Rates	1969-70 Out-of-State Tuition Rate Proposed (1968 rate plus $100)	Per Cent Increase 1969 over 1966 Tuition Rate	1969-70 Tuition Income Increase Over 1966-1967
CSC	$ 290	None	$ 600	$ 700	141.4	- - -
EIU	291	30,623	600	700	140.5	43,025
ISU	290	43,253	600	700	141.4	61,160
NISC	290	3,009	600	700	141.4	4,255
NIU	290	99,344	600	700	141.4	140,472
SIU - C	466	474,720	516	616	32.2	152,860
SIU - E	466	315,104	516	616	32.2	101,463
U of I - CC	750	130,260	750	850	13.3	17,325
U of I - U	750	1,840,945	750	850	13.3	244,846
WIU	291	75,867	600	700	140.5	106,593
TOTAL		3,013,125				871,999(1)

* Increases in the number of out-of-state students above 1966-67 levels will correspondingly increase tuition incomes herein projected.

(1) Total anticipated increase should Board of Governors and Board of Regents institutions initiate the $100 increase in 1970 is $774,620.

(2)

Table IX - continued

Institution	1970-71 Out-of-State Tuition Rate Proposed (1969 rate plus $100)	Per Cent Increase 1970 Over 1966 Tuition Rate	1970-71 Tuition Income Increase Over 1966-67	Total Projected Tuition Increase 1969-71 Over 1966-67 Level
CSC	$ 800	175.9	- - -	- - -
EIU	800	174.9	53,560	96,585
ISU	800	175.9	76,082	137,242
NISC	800	175.9	5,293	9,548
NIU	800	175.9	174,746	315,218
SIU - C	716	53.6	254,450	407,310
SIU - E	716	53.6	168,896	270,359
U of I - CC	950	26.7	34,779	52,104
U of I - U	950	26.7	491,532	736,378
WIU	800	174.9	132,691	239,284
TOTAL			1,392,029 (1)	2,264,028 (2)

(1) Total anticipated 1970-71 increase should Board of Governors and Board of Regents institutions initiate the $100 increase in 1970 is $1,305,162.

(2) Total anticipated increase for the biennium should Board of Governors and Board of Regents initiate the $100 increase in 1970 is $2,079,782.

from out-of-state students) would be realized if enrollments remained constant at the 1966-67 level. An additional $12,691,751 may be anticipated as a result of increased enrollments at the higher tuition level. Subtracting the recommended increase in expenditures of 2.5 million dollars for the Scholarship Grant Program and the anticipated cost of 5.3 million dollars for the additional teacher scholarship fees waived, yields an anticipated net gain of 17.9 million dollars.

ADDENDUM

SUPPLEMENTAL STAFF COMMENT ON THE TUITION PROPOSAL[1] IN RESPONSE TO GOVERNING BOARD REACTIONS

I. Recommendation #1 - The 20% cost of education base for tuition increases.

This staff recommendation received the most suggestions for delay or outright opposition to implementation.

Committee J examined the historic method of arriving at tuition levels in Illinois and concluded that they "have been developed as a result of various pressures." It recommended that "the Illinois Master Plan should clearly include a defensible formula for the establishment of tuition changes."

Committee J further recommended that "a figure in the range of 10 and 20% of instructional cost" be used since "this would have the desirable effect of continuing the tuition levels generally at their present rates and also permitting adjustments in the future on a systematic and uniform basis."

The committee drew its conclusions from 1960-61 data available at the time of the study which showed the ratio of tuition to estimated cost of the various universities to be in the range of 10 to 20%. (That ratio has now fallen to 10-12%.)

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(1) Reactions of Governing Boards are contained in Appendix A, P. 62.

The staff is recommending at the 20% level rather than a lower level for the reason that the incidence of tuition would now fall on those most able to pay. When Committee J made its recommendations the state had only a $4.5 million scholarship program and a relatively small tuition waiver program for prospective teachers. Since then the scholarship program has been funded at $14.9 million, a new grant program based on financial need started at $14.9 million and as a result of amendments in 1965, a greatly increased number of teacher scholarship tuition waivers are available for Illinois youth.

All these programs, if based on financial need, would allow for attendance by those least able to pay. The traditional arguments relating to loss of opportunity because of financial barriers are thus seriously eroded. The whole staff proposal supports the Master Plan assumption that educational opportunity must be extended to all youth capable of benefiting from it. It is for this reason that we recommended that Teacher Scholarship waivers be put on a financial need basis and be administered by the same agency as the scholarship and grant programs, both of which are based on need.

One may observe the differences in income level of student families among the several public universities to see that aid programs based on financial need will affect the

universities very differently. The income level of student families varies considerably from one state institution to another. For example, preliminary data from Committee B (Student Characteristics) shows that one state university has only 7% of its students from families with incomes of less than $6,000 while another has 20% in that category. Still another state university has 36% of its students from families with incomes over $15,000 while another has only 14% in this high income group.

The staff has amended its proposal for the second round of tuition increases in 1971 by recommending no further increases after 1969, unless the Teacher Scholarship waiver program is legally put on a need basis and administered centrally by the State Scholarship Commission concurrently with the other two programs, or else an equivalent increase in opportunity through financial aid be provided for students in public institutions who show financial need.

II. Recommendation #2 - <u>The arguments against transfer of the waiver program to the State Scholarship Commission and against the statewide pooling of such waivers because of possible impairment to flexibility and to the general worth of the present program</u>.

If the State Scholarship Commission administers all three programs a considerable cost saving will result in administration

and greater, not lesser, flexibility will result for students and counselors.

Committee P recommended that all of the diverse state scholarship, grant and waiver programs (with a few minor exceptions) be administered by a single state agency, in order 1) to reduce costs of providing many different administrations as at present, and 2) to provide a single place to which students could apply for state aid rather than their having to search out and apply to many different agencies. (Please see the names of the members of this committee listed in the front of the staff tuition proposal.)

To staff another state agency to go through the process of determining financial need when this can be done easily and cheaply through the existing means at the State Scholarship Commission is poor state management of resources.

The real gain will be in the increased flexibility it allows the student applicant and in the ease provided student counselors for advising students. The student will need to make only a single application and will automatically be considered under the state grant program, the Teacher Scholarship Waiver program, and quite likely the State Scholarship program. If he does not qualify under one program he may well do so under another without having to apply to a different agency or, in fact, taking any further action.

Counselors will need to know the forms, rules, and procedures for application to only one agency to allow his advisees possible entry to the three largest aid programs which the state provides.

Thus, the argument that the present waiver program will allow quicker assurance of aid to disadvantaged students than under the staff proposal is without merit.

The further argument that the staff has failed to provide "evidence that the present program has failed to do this (kept close to the high schools) or to be effective" is a non-sequitur. There is no argument about the effectiveness of the present waiver program - the very reason why the staff recommends its continuation. However, it is not based on financial need and its current administration requires a fragmented decision process which could be used to apply a financial need factor only at great expense and even then without assurance that students most in need in the state would receive the waivers.

The Board of Regents also cautions that placing the Teacher Scholarship Waiver program on a financial need basis may encourage a disproportionate share of persons from low socio-economic levels to enter the teaching profession. One of the most persistent and pervasive criticisms of the present teaching corps in this country is that it represents almost

exclusively middle-class or upper middle-class values and fails miserably in its understanding of pupils coming from families at lower economic levels. The plea from educational administrators in every large city in the country is for more teachers to be drawn from the very levels which the staff proposal would tend to encourage.

III. Recommendation #3 - Detrimental effects on existing bond revenue projects.

The Board of Governors further argues that the waiver of revenue bond fees as recommended in 2 c. - "would be contrary to the terms of all of our revenue bond resolutions and any governing board could have it declared illegal . . ." It seems highly probable that the legislation can be written in such language as to place existing bond revenue resolutions of governing boards beyond the legal challenge suggested. Under the staff proposal the fees to be "waived" for the students are to be paid by the state itself - surely providing bond holders with as much assurance of payment as the same funds gained from a student fee.

IV. Recommendation #4 - $100 increase per year in out-of-state tuition until tuition and fees equals cost of instruction.

Two boards endorsed this recommendation (one with a reservation for 1969 which resulted in an amendment to the staff proposal) but one board was critical of relating the tuition

to cost of instruction because a $100 per year increase would never reach the 20% cost of instruction since costs were inflating at an even more rapid rate. The other board expressed concern about detrimental effects on the cosmopolitan composition of the student body and suggests only a maximum rate be established.

The University of Illinois argument is based on an assumption that the instructional unit costs will continue to inflate into the indefinite future at 6% per year. It seems to the staff that this assumption is likely to prove erroneous if for no other reason than legislative reluctance to provide such increased funding for existing enrollments. Beyond that, the argument itself does not mitigate against establishing the goal of having out-of-state tuitions and fees equal the cost of instruction, whether the goal is achieved or not.

The inimical effect of high out-of-state tuition on the cosmopolitan nature of a student body must be seriously considered - especially for institutions not located in an urban area characterized by a natural cosmopolitanism.

A large proportion of Southern Illinois University resident students are from the Chicago area - providing a built-in cosmopolitanism for a rurally-located campus.

Many, if not most, of the students cited by the University as being from foreign countries or other states are in attendance through National Science Foundation, National Defense

Education Act and other federally-supported programs or are graduate assistants hired for research or teaching on a part-time basis. Higher tuition rates will not affect the attendance of such students.

Recommendation #4 provides for a gradual increase in rates. If really harmful effects occur because of the increases, the Board will have sufficient time to reevaluate the policy.

One should be aware that among others, the Universities of Michigan, California, and Wisconsin have found that higher out-of-state tuitions have resulted in a larger proportion of their students, rather than a diminishing number or proportion, applying from out-of-state. Low out-of-state tuitions in Illinois institutions have attracted relatively few non-resident students as Figure 1 on page 18 shows.

APPENDIX A

REACTIONS OF GOVERNING BOARDS TO THE TUITION PROPOSAL

I. RESPONSE OF THE BOARD OF GOVERNORS OF STATE COLLEGES AND UNIVERSITIES regarding the

Staff Recommendations on Tuition and Grants
for Students at Public Senior Colleges and Universities
Board of Higher Education, July, 1968

Recommendation 1:

Tuition and fees not exceed the equivalent of 40% instruction cost.

A. By 1973, Illinois resident tuition rates be increased by the respective governing boards of public senior institutions to a limit of 20% of observed undergraduate instructional costs.

1) The 20% cost be determined for each governing board system through the Board of Higher Education annual unit cost study.

The Board of Governors recommends that this Recommendation not be adopted at this time. It believes that the rationale for setting tuition to a limit of 20% of observed undergraduate instructional costs has not been sufficiently demonstrated and there has been insufficient time for the university staff to analyze the effect of this or any other proposal. They are concerned that this per cent might readily become 22, or 25, or more per cent.

2) An increase of $75 per academic year per full-time student be assessed in the Fall of 1969 and appropriate

increases in part-time and summer enrollments be assessed at the time of that and subsequent enrollment periods.

The Board concurs in this recommendation for a tuition increase of $75 to be assessed in the Fall of 1969 for 1969-70 and 1970-71, the 76th Biennium. It recognizes that tuition rates of the state's public colleges and universities are below those of a majority of colleges and universities. While it is extremely important to keep higher education as available and open to entrance as possible, the Board also recognizes that in a period of rising costs and problems in finding state revenue an increase of this magnitude can be recommended, even though with reluctance.

By setting a specific increase for a two-year period there will be time for a more definitive study and for evaluation by the college and university staffs.

3) The balance of any increase necessary for an institution to attain a tuition level of 20% of the system cost be assessed at the opening of the 1971 Fall term.

The Board recommends this not be approved, since it is part of the proposal in A. and 1) above.

B. Average compulsory fees charged by a governing board to all fulltime students not exceed the total tuition charge without express approval of the Board of Higher Education.

The Board of Higher Education now has the authority to review and recommend the approval or disapproval of requests to construct non-academic facilities. Compulsory fees consist, in large part, of revenue bond fees for these facilities.

The Board recommends that the Board of Higher Education depend upon this authority rather than setting up an arbitrary rule. It would be better for the Board of Higher Education to state that it will take into account the existing fee schedule when it considers requests for additional non-academic facilities. Thus, we recommend a modification along the lines indicated rather than the statement in B.

Further, for purposes of determination of balances between student tuition charges and compulsory student fees, the portion of tuition charges pledged to debt service for bond revenue projects be subtracted from the tuition rate in establishing the annual tuition level not to be exceeded by average compulsory fees.

This recommendation does not affect the colleges and universities under the jurisdiction of the Board of Governors.

Recommendation 2:

All teacher education scholarships, as provided in Article 30 of the School Code, be transferred for administrative purposes to the Illinois State Scholarship Commission and students otherwise qualified to receive these waivers be required to exhibit financial need at the public institution of their choice in the same manner that scholarship monetary winners and grant recipients must now show need.

A. The number of available waivers remain as presently legislated.

B. Rather than a given number of waivers being made available to the students of each school, all waivers be consigned to a state pool and from that pool waivers be awarded to those students otherwise qualified who exhibit the greatest need, wherever within Illinois they may happen to live or may happen to have attended secondary school.

The Board does not recommend the transfer of the administration of teacher education scholarships to the Illinois State Scholarship Commission. It believes that the program should be kept close to the high schools and that there is no evidence that the present plan has failed to do this or to be effective. It has no objection to the program being based upon financial need of the students to whom such scholarships will be awarded.

The Board believes that the given number of waivers available to each school, as at present, has had merit, particularly in encouraging widespread participation. Further, a state pool is utilized at a given point when scholarships have not been assigned. It does not recommend, therefore, the adoption of 2 B.

C. As few changes as possible be made in the existing law relative to teacher education waivers except that (1) if a student shows financial need at a public institution, all of his tuition and fees, as defined in Section 30-15.7 of the School Code, be waived for his four years of education, and (2) provisions in relation to student status, such as residence and academic standing, be the same as that used for the State Scholarship and Grant programs.

The Board suggests that Recommendation C. be investigated very carefully if the Board of Higher Education should decide in favor of Recommendation 2. Section 30-15.7 refers to the actual awarding of money by the Scholarship Commission, while 30.13, which refers to the teacher education scholarship, provides for the waiver of certain fees. If recommendation 2 C. implies that the waiver feature be extended to other fees, this would be contrary to the terms of all of our revenue bond resolutions and any governing board could have it declared illegal, since it cannot waive the collection of revenue bond fees.

Finally, the Board suggests that there be a definitive procedure which will assure that a junior college student who has been granted a teacher education scholarship will have that scholarship transferred at the end of two years for his last two years at an institution which grants the baccalaureate degree.

Recommendation 3:

Sufficient additional appropriations be made to the Illinois State Scholarship Commission to defray the additional need created among undergraduate Illinois students as a result of the recommended increases in tuition.

The Board concurs in this recommendation.

Recommendation 4:

Out-of-state tuition rates at the senior public Illinois institutions be increased by $100 per year, beginning in the Fall of 1969, until such time as tuition-fee charges are equivalent to the full undergraduate instructional costs as observed in the then current unit cost study.

The Board concurs in this recommendation, even though the Board of Governors is increasing out-of-state tuition from $290 to $600 for 1968-69.

Recommendation 5:

Graduate and professional students be charged the same tuition rates as undergraduate students having comparable in- or out-of-state residential status.

The Board concurs in this recommendation.

II. BOARD OF REGENTS

COMMENTS ON THE BOARD OF HIGHER EDUCATION TUITION PROPOSAL

On July 8, 1968, the staff of the Board of Higher Education presented to the Board of Higher Education a study entitled "Staff Recommendations on Tuition and Grants for Students at Public Senior Colleges and Universities." Briefly, it was recommended that tuition and fees taken together should not exceed 40% of instructional costs and that by 1973 tuition alone should be increased to a limit of 20% of instructional costs. A maximum increase of $75.00 per academic year per full time student should be assessed in the fall of 1969, and the balance of any increase necessary for an institution to attain a tuition level of 20% of the system cost should be assessed at the opening of the 1971 fall term. It was also recommended that all teacher education scholarships be transferred for administrative purposes to the Illinois State Scholarship Commission rather than be handled by the individual high schools. Another recommendation provided that sufficient additional appropriations should be made to the Illinois State Scholarship Commission to defray the additional need created among the students as a result of the increased tuition. Also recommended was an out-of-state tuition rate increase of $100 per year beginning in the fall of 1969, and increasing until such time as tuition fee charges are equal to instructional costs. The Board of Higher Education staff also recommended that graduate and professional students be charged the same tuition as undergraduates having comparable in-state or out-of-state residential status.

After reviewing these recommendations on July 8, 1968, the Board of Higher Education voted to postpone action until its September meeting to allow the governing boards to react to them.

On Tuesday, July 16, 1968, President Rhoten A. Smith, Dr. John Gardner and Dr. Charles Brim from Northern Illinois University; President Sam Braden and Dean Francis Belshe from Illinois State University; and Frank Matsler from the central office met at the Holiday Inn in Peru to discuss the document and to make a recommendation to the Board of Regents

as to the action which could possibly be taken by the Regents with respect to the report on tuition.

It was the general consensus of the persons attending this meeting that it would be most desirable if no increases in tuition would need be made. It was felt that any increases in tuition would result in some students not being able to afford to attend college. On the other hand, the committee realized that there were strong pressures in the legislature to increase the tuition rates in the face of added difficulties in financing higher education in Illinois. The document of the staff of the Board of Higher Education, then, represents a sort of a compromise wherein a rather small tuition increase is recommended.

Tuition at Northern and at Illinois State University is now $120 per year. Tuition and fees together for the year 1967-68 were $226 at ISU and $260 at NIU. If tuition were based on 20% of the instructional costs the rate would be increased from $120 to $212.40 at both institutions. A $75.00 increase imposed on students for the fall of 1969 would increase the tuition rate from $120 to $195. Assuming no cost increase over the following year, the increase for 1970 would be from $195 to $212.40, or a total of $17.40. These figures become somewhat obsured, however, when part time and graduate students are figured into the total costs.

The committee felt that the recommendation pertaining to teacher education scholarships and the transferring of the administration of these scholarships from the secondary schools to the Illinois State Scholarship Commission should be supported. However, one slight weakness to this recommendation was noted. Up until this time, students desiring to go into teacher education could obtain scholarships regardless of need. This arrangement encourages students from all socio-economic levels to become teachers, whereas the new proposal would only allow those students to participate in the scholarship programs who have economic need for it. This may have the effect of narrowing the choice of persons going into teacher education somewhat by encouraging only those students from the lower socio-economic levels to go into the programs.

One of the recommendations of the tuition study stated that sufficient additional appropriations should be made to the Illinois State Scholarship Commission to defray the additional need created among undergraduate Illinois students as a result of the recommended increases in tuition. The committee felt that this was of sufficient importance to include it in the draft of the resolution to be presented to the Board reacting to the entire tuition study. The staff of the Board of Higher Education recommended that an additional $2.5 million be appropriated to the Illinois State Scholarship Commission to cover the need generated by raising tuition. The committee had insufficient data to assess the adequacy of the $2.5 million, but the tuition report estimated that this would be less than 10% of the total projected increase in revenues which would be derived from the tuition increases.

The matter of out-of-state tuition rates at the senior public institutions was discussed at some length by the committee. The committee had two concerns regarding out-of-state tuition rates as they relate to the Regency Universities. The first and most important point is that tuition will be raised for out-of-state students in 1968 from $290 to $600 per year at the Regency Universities. This is an increase of over 100% in one year and in the committee's opinion argues against an additional $100 increase the next year. The second point relates to the need for more uniformity among all the state institutions with regard to these changes. A suggested revision of the policy, to meet both these points might therefore be to raise out-of-state tuitions at the Regency Universities $16.00 per year for 1969 and $100 per year thereafter until a figure equal total cost is reached.

Again, it would be desirable (from the point of view of infusing student bodies with students from a variety of states) not to change out-of-state tuition. Illinois exports many more students than it imports already. Other states are moving toward charging out-of-state students on the basis of total costs, however, and the pragmatic view is that the recommendation, with the suggested revision, is sound.

The following resolution has been prepared by the Committee as a means to convey to the Board of Higher Education the general reaction of the Regency Universities on the matter of tuition.

WHEREAS, the Board of Regents has reviewed the document entitled "Staff Recommendations on Tuition and Grants for Students at Public Senior Colleges and Universities" prepared by the staff of the Board of Higher Education; and

WHEREAS, the Board of Regents is well aware of the increasing difficulties in financing higher education in Illinois as well as other states in the nation; now therefore be it

RESOLVED that the Board of Regents convey to the Board of Higher Education its general support for the recommendations in the staff document named above, with the one suggested revision that out-of-state tuition for both graduate and undergraduate full time students at the Regency Universities be increased to $616 per year in September 1969; and be it further

RESOLVED that beginning in the Fall of 1969 tuition will be raised to $195 per academic year at Illinois State University and at Northern Illinois University; and be it further

RESOLVED that it be declared as the intention of the Board of Regents, unless circumstances now unforeseen make it necessary or desirable to do otherwise, to increase the tuition at Illinois State University and Northern Illinois University from the amounts indicated above by $75 per year for students who are residents of the State of Illinois in each succeeding year beginning in September, 1970, until an amount equal to 20 per cent of computed total instructional costs is reached; and to increase by $100 a year starting in September, 1970 the amount paid by students who are nonresidents of the State of Illinois until an amount equal to the computed total instructional cost is reached; and be it further

RESOLVED that the Board of Regents emphasize its desire to offset these raises in tuition and fees with sufficient scholarship funds to assure that all students in Illinois who can benefit from attending college will be able to do so regardless of their economic status.

III Southern Illinois University - Board of Trustees

August 15, 1968

Dr. Lyman A. Glenny, Executive Director
State of Illinois Board of Higher Education
300 East Monroe, 104 St. George Building
Springfield, Illinois 62706

Dear Dr. Glenny:

Thank you for the opportunity for the Southern Illinois University Board of Trustees to react to the "Staff Recommendations on Tuition and Grants for Students at Public Senior Colleges and Universities," including the amendment of July 1968.

Southern Illinois University holds a traditional and sincere belief that it is the responsibility of the State to provide an opportunity to each individual to pursue his education to the fullest extent from which it is possible for him to benefit. This implies, of course, the lowest possible tuition costs consistent with the needs of the institution and its students. It is not our intention herein to develop this basic philosophy, because it has been admirably stated in the staff document under discussion. We wish to point out, however, that we do not regard tuition and fee charges as supplanting the responsibility of the State to finance higher education, and thus we see no need for a systematic relationship between such charges and the actual cost of education in a given institution. On the contrary, we believe that tuition and fee charges, to the extent that they must be used, should have a direct relationship to special institutional and student needs which cannot, or for any reason are not, met through the usual means of State appropriations.

May we congratulate you and your staff upon your comprehensive recognition of the various costs of higher education to students and your wise provisions for additional financial aid on the basis of individual needs. It is to be hoped that the mechanics of obtaining financial assistance (including the communication of the opportunities for such assistance) do not in themselves become significant barriers to college attendance.

May we, at this point, offer our specific comments regarding the proposed recommendations.

While the University denies the logic of the systematic relationship between tuition and cost in a public institution of higher learning, Recommendation No. 1 does establish a policy for an "absolute maximum feasible tuition rate." It is indeed desirable that a systematic limitation be placed upon tuition charges. Southern Illinois University would prefer the limitation of 15% of the observed undergraduate cost, but feels that it can accept the 20% figure as a maximum. It is our belief that the specifics of 1.b and 1.c (an increase of $75 to be assessed in the Fall of 1969 and a 1971 deadline for assessing tuition at the rate of 20% of cost) should be deleted or modified so that the various State systems can exercise independent board discretion, because uniform increases are not consistent with our concept of the purposes of tuition charges.

Southern Illinois University favors Recommendation No. 2 (on teacher education scholarships). A word of caution is offered, however, regarding Recommendation No. 3 (increased appropriations to defray additional need due to increases in tuition). In general, the University favors Recommendation No. 3, but cautions against a precedent that would seem to encourage, by means of a commitment to State subsidization, increases in tuition charges by institutions that have no limiting regulations regarding such increases.

Regarding Recommendation No. 4 (systematic increase in out-of-State tuition to 100% of the observed cost of undergraduate education), we are apprehensive that this proposal, if effected, would seriously jeopardize the cosmopolitan nature of the student body at Southern Illinois University which includes representation from 50 states and 83 foreign nations. In terms of Illinois' import-export experience with college and university students, the argument of increased revenues seems, at the least, to be merely opportunistic. May we suggest that Recommendation No. 4 be modified to provide a simple maximum for the out-of-State tuition rate.

Southern Illinois University supports Recommendation No. 5 (graduate and professional tuition to be the same as undergraduate tuition) and Recommendation No. 6 (fees not to exceed the total tuition charge).

The amendment of July, 1968 (Addendum to 1.B) can be supported in principle, but its actual adoption at this time would work a serious hardship on the University. Realistically, the University must request that the proposed addendum not be adopted by the Illinois Board of Higher Education.

Thank you for a thorough report and the opportunity to comment on the proposals. A sufficient number of copies of this letter are included herewith for distribution to the members of the Illinois Board of Higher Education should you feel such distribution to be appropriate.

Very truly yours,

/s/ Kenneth L. Davis
Chairman

IV. THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

July 26, 1968

Dr. Lyman A. Glenny
Executive Director
State of Illinois Board of
Higher Education
300 East Monroe Street
104 St. George Building
Springfield, Illinois 62706

Dear Dr. Glenny:

On behalf of Mr. Timothy W. Swain, President of the Board of Trustees, I write to advise that in accord with your request of July 12, 1968, the statement, "Staff Recommendations on Tuition and Grants for Students at Public Senior Colleges and Universities," has been submitted to the Trustees for their study and reaction.

On July 24, 1968, on motion of Mr. Howard W. Clement, the Board unanimously approved the attached resolution. (Also attached is a memorandum prepared by the Vice-President and Comptroller which the Trustees had before them in the consideration of the matter.)

Sincerely,

/s/ Earl W. Porter
Secretary
Board of Trustees

Enclosures

cc: Honorable Timothy W. Swain
Honorable Howard W. Clement
President David D. Henry

The Board of Trustees of the University of Illinois has received from the Board of Higher Education a document prepared by the staff of that Board: "Staff Recommendations on Tuition and Grants For Students at Public Senior Colleges and Universities." The document has been submitted to this board and to the other institutional governing boards in order that the Board of Higher Education may have their several reactions to it.

Traditionally the Board of Trustees has adopted policies designed to limit tuition and fees and other charges to students to the minimum level designed to permit maximum opportunity for Illinois youth to take advantage of the University's programs. This position is of course fundamental to the philosophy of the land-grant institutions throughout the nation. From time to time, in the light of the general economy of the State of Illinois, the trustees have increased fees as the existing situation might indicate.

Accordingly, the Board of Trustees does not object to the increase of $75 in resident tuition or the $100 increase in nonresident tuition effective in the Fall of 1969, as proposed by the staff of the Board of Higher Education.

However, the recommendations that would establish, by formula, the tuition charges in 1971 are so far-reaching in their implications that they would seriously alter the traditional posture of the State and require careful analysis. The Board would request, therefore, that the formula approach be deferred for decision until 1969-1970, at which time the economic and other factors involved can be taken into account and the consequences fully evaluated. At the same time, the status of junior college developments, and their relevance to the general questions involved, can be appraised to a degree not now possible.

The recommendations having to do with teacher education scholarships, although not directly affecting the University, have much to commend them. It should be pointed out, however, that the extend to which the changes proposed would decrease flexibility, in relating student needs to the total resources available, ought to be carefully assessed.

The University is in agreement with the other recommendation contained in the document submitted, that having to do with charging the same tuition rates for graduate-professional and undergraduate students with similar residential status.

Memorandum
Recommendations of the Staff, Board of Higher Education
Concerning Tuition and Grants

The "observed undergraduate instructional cost" at the University of Illinois, as computed by the staff of the State Board of Higher Education, is $1,419. Based on this cost and assuming the proposed formulas had been in effect long enough to become fully applicable, resident tuition at the University of Illinois would be $283.80, or an increase of $113.80 (or 66.9%). Including present and announced fees, tuition and fees would be $431.80. This would place the University of Illinois 14th on the list of 103 institutions listed by Staff as representative. The nonresident tuition and fees would be $1,567, which would place the University of Illinois among the highest of public institutions.

The formula provides for phasing in its application. As a result, the tuition alone at the University of Illinois would be as follows:

(Assuming an Annual Increase in Costs of 6%)

	Resident	Nonresident
1969-70	$245	$ 850
1970-71	245	950
1971-72	318	1,050
1972-73	337	1,150
1973-74	358	1,250
1974-75	379	1,350

If it is reasonalbe to assume an average increase of 6% in cost, the nonresident tuition, even with an annual increase of $100, would never reach total "observed undergraduate costs." This is true because once costs exceed $1,666, 6% annual increase would be more than the proposed $100 annual increase in nonresident tuition. Hence, the formula, if adopted, would mean an automatic $100 per year increase in nonresident tuition forever.

H. O. Farber, Vice President and
Comptroller, University of Illinois

July 24, 1968